

The Freedom Realty Exchange[®]



Commercial and Land Properties



WHY CONDUCT AN ONLINE AUCTION ON FRE.com?

Create Buyer Urgency and a Date Certain for Sale

Maximize Sales Price with Competitive Bidding

High Closing Ratio and No Contingencies

Global Exposure through the Freedom Realty Exchange networks

Seller Protection with Sealed Bid and Reserve Auctions

30 years of Auction Marketing Experience and Billions in Sales

THE FREEDOM REALTY EXCHANGE[®]

AUCTION LIFE CYCLE



IMPLEMENTATION OF MARKETING PROGRAM

- Prominent on-site AUCTION signage
(generates an average of 60% of buyer traffic)
- Send email to existing databases, neighboring property owners
- Update MLS, other listing sites and your existing marketing materials to reflect Auction details



PROSPECT QUALIFICATION AND BIDDING

Thomas Tomczak	Spokane, WA	A	Principal	--	7/30	
Keith Scribner	Spokane, WA	B	Principal	--	28	8/10
David Birge	Spokane, WA	B	Principal	--	5	8/24
John Ziegler	Santa Rosa, CA	B	Principal	--	3	8/23
Jerry MacDuffee	Oregon city, OR	C	Principal	--	2	8/6
Jerry Wise	Los Angeles, CA	C	Principal	--	5	8/23
Robert Lawrence	Costa Mesa,	D	Principal	--	2	8/13
JAVED IQBAL	GRANITE BAY, CA	D	Principal	--	2	8/18
Matthew Lyons	Scottsdale, AZ	D	Principal	--	2	8/5
Gurdeep Chadha	Morrisville, NC	D	Principal	--	2	7/29
Scott Robertson	Bellevue, WA	D	Agent	--	--	8/22
Randy Dean	Everett, WA	E	Agent	--	1	8/12
Carl Alexander	Tacoma, WA	E	Broker	--	16	8/16
James Orcutt	Spokane, WA	E	Broker	--	1	8/19
Christopher Bell	Spokane, WA	E	Broker	--	2	8/18
Mark Lucas	Spokane, WA	E	Agent	--	36	8/26
Erik Peterson	Roseville, CA	F	Principal	--	1	8/19

Proprietary tracking system captures website visitor information

Prospect interest is graded A-F, allowing focus to be placed on the highest quality prospects

Bidders must submit required bid deposit to escrow for online bid to be valid

Sealed bid format prevents negative market exposure and protects seller's price point

Online bidding ensures a fair, transparent and competitive process resulting in higher sale prices.

<input type="checkbox"/>	Time Placed	Bidder ID	Bidder	Bid Type	Bid Status	Original Bid	Final Bid
<input type="checkbox"/>	May 23, 2011 06:19 pm PDT	BAR897	gregorio barboza	Last Call	Valid	USD \$115,000	USD \$115,000
<input type="checkbox"/>	May 23, 2011 02:33 pm PDT	GOR272	Edgar Gordon	Last Call	Valid	USD \$110,000	USD \$110,000
<input type="checkbox"/>	May 18, 2011 11:34 pm PDT	MAR839	JESUS MARTINEZ	Highest Sealed	Valid	USD \$85,000	USD \$85,000
<input type="checkbox"/>	May 18, 2011 09:46 am PDT	BAR897	gregorio barboza	Sealed	Rejected	USD \$45,000	USD \$45,000
<input type="checkbox"/>	May 17, 2011 05:48 pm PDT	GOR272	Edgar Gordon	Sealed	Rejected	USD \$70,000	USD \$70,000
<input type="checkbox"/>	May 13, 2011 09:05 am PDT	REE498	amos reed	Sealed	Valid	USD \$33,000	USD \$33,000

CLOSING AND SETTLEMENT

Contingency-Free Sale

- Due diligence and disclosures available to buyer prior to closing
- Eliminates re-trading and lengthy contract negotiations

Expedited Closing Process

- Third party escrow, experienced in auction closings, is used for all transactions
- Signed Purchase & Sale Agreement sent to Buyer within 48 hours of the auction ending and the Purchase Deposit is required 2 business days after Buyer receives the contract
- Escrow works with Buyer, Seller, Broker and Closing Agent to ensure proper transfer and recordation
- Closing in 30 days or less

AUCTION CASE STUDY - LAND AND LOTS

Auction ID: 823 – Bank-Owned Land in Orland, California

VIEW ALL | BID HISTORY | DESCRIPTION | DOCUMENTS | VIEWING SCHEDULE

Bid History **\$340,497 increase in sales price**

Bidder ID	Bid	Date	Time Placed	Type
LAN938	USD \$560,000	Apr-15	9:16:12 am PDT	Last Call
LEE040	USD \$550,000	Apr-14	4:52:12 pm PDT	Last Call
LAN938	USD \$540,000	Apr-13	10:46:47 am PDT	Last Call
LEE040	USD \$520,000	Apr-12	4:59:31 pm PDT	Last Call
LAN938	USD \$510,000	Apr-09	2:15:27 pm PDT	Last Call
LEE040	USD \$490,000	Apr-09	2:10:02 pm PDT	Last Call
LAN938	USD \$475,000	Apr-07	5:20:23 pm PDT	Last Call
LEE040	USD \$450,000	Apr-07	4:59:21 pm PDT	Last Call
LAN938	USD \$430,000	Apr-06	4:59:26 pm PDT	Last Call
LEE040	USD \$410,000	Apr-06	4:56:52 pm PDT	Last Call
LAN938	USD \$400,000	Apr-05	11:45:07 am PDT	Last Call
CHE496	USD \$380,000	Apr-04	9:35:19 pm PDT	Last Call
LEE040	USD \$360,000	Apr-02	4:32:27 pm PDT	Last Call
LAN938	USD \$350,000	Apr-01	1:59:25 pm PDT	Last Call
KAN563	USD \$330,000	Mar-31	9:24:00 pm PDT	Last Call
LAN938	USD \$320,000	Mar-31	11:24:10 am PDT	Last Call
CHE496	USD \$310,000	Mar-31	11:18:41 am PDT	Last Call
LAN938	USD \$300,000	Mar-31	10:31:11 am PDT	Last Call
KAN563	USD \$270,000	Mar-30	9:09:13 pm PDT	Last Call
LEE040	USD \$260,000	Mar-30	11:15:37 am PDT	Last Call
SU0762	USD \$250,000	Mar-29	3:45:00 pm PDT	Last Call
KAN563	USD \$240,000	Mar-29	3:15:38 pm PDT	Last Call
JEN265	USD \$230,000	Mar-29	11:15:34 am PDT	Last Call
DEC996	USD \$219,503	Mar-23	10:19:00 am PDT	Highest Sealed

where other auctions end

- Property had been listed for sale for over a year
- 45 day auction marketing campaign
 - 1,497 unique visitors
 - 30 registrants
 - 10 bidders
- Highest sealed bid was \$219,503
- Final bid \$560,000 - 155% more than original highest sealed bid
- Last Call® extends bidding for 22 days
- Seller realizes a **12% price increase** over List Price
- Escrow closed in less than 30 days



AUCTION CASE STUDY - COMMERCIAL BUILDING

Auction ID: 751 – Automotive/Retail Development Site - Columbus, OH

VIEW ALL | BID HISTORY | DESCRIPTION | DOCUMENTS | VIEWING SCHEDULE

Bid History **\$269,000 increase in sales price**

Bidder ID	Bid	Date	Time Placed	Type
JAL360	USD \$620,000	Jan-08	2:56:55 pm EST	Last Call
ABU543	USD \$610,000	Jan-08	2:52:52 pm EST	Last Call
JAL360	USD \$600,000	Jan-08	1:04:25 pm EST	Last Call
ABU543	USD \$561,000	Jan-08	12:30:57 pm EST	Last Call
DAV424	USD \$551,000	Jan-07	7:17:58 pm EST	Last Call
JAL360	USD \$541,000	Jan-06	5:26:57 pm EST	Last Call
DAV424	USD \$531,000	Jan-05	6:17:25 pm EST	Last Call
JAL360	USD \$521,000	Jan-04	7:41:00 pm EST	Last Call
DAV424	USD \$511,000	Dec-31	4:51:55 pm EST	Last Call
JAL360	USD \$501,000	Dec-30	7:07:45 pm EST	Last Call
DAV424	USD \$491,000	Dec-29	7:30:41 pm EST	Last Call
JAL360	USD \$481,000	Dec-29	7:19:05 pm EST	Last Call
DAV424	USD \$471,000	Dec-28	7:06:18 pm EST	Last Call
JAL360	USD \$461,000	Dec-28	11:43:29 am EST	Last Call
DAV424	USD \$451,000	Dec-24	7:54:45 pm EST	Last Call
JAL360	USD \$441,000	Dec-24	7:02:44 pm EST	Last Call
DAV424	USD \$431,000	Dec-23	7:34:14 pm EST	Last Call
JAL360	USD \$421,000	Dec-23	4:27:54 pm EST	Last Call
DAV424	USD \$411,000	Dec-22	6:51:20 pm EST	Last Call
JAL360	USD \$401,000	Dec-22	2:16:43 pm EST	Last Call
DAV424	USD \$391,000	Dec-21	7:33:10 pm EST	Last Call
MIL687	USD \$381,000	Dec-21	4:33:40 pm EST	Last Call
JAL360	USD \$371,000	Dec-21	3:36:57 pm EST	Last Call
MIL687	USD \$361,000	Dec-20	7:59:28 pm EST	Last Call
DAV424	USD \$351,000	Dec-17	6:06:00 pm EST	Highest Sealed

where other auctions end

- Property had been listed for sale for over 1 year
- 45 day auction marketing campaign
 - 922 unique visitors
 - 25 registrants
 - 5 bidders
- Highest sealed bid was \$351,000
- Final bid \$620,000 - 76% more than original highest sealed bid
- Last Call® extends bidding for 15 days
- Seller realizes a **25% price increase** over List Price
- Escrow closed in 30 days



SELLER TESTIMONIALS

The Adelphia Communications Corporation bankruptcy was the 11th largest in U.S. history. The resulting restructuring process left us with hundreds of individual properties scattered across the country in 17 states. We listed the properties with a national brokerage firm; but after two years on the market and just a few sales, we decided to utilize LFC's Internet-based Freedom Realty Exchange® program to sell them. The tremendous success of this marketing effort prompted us to contract with LFC to auction market our 72,000 square foot corporate headquarters building. We were very impressed with the results and recommend this program to anyone who needs to sell a large volume of real estate located in geographically diverse areas.

**Assistant Treasurer
Adelphia Communications Corporation**

Coca-Cola Enterprises, Inc. has utilized LFC's auction marketing programs to sell its excess commercial property around the country for more than 15 years. We have always been pleased with the sealed bid auction campaigns that they have conducted for us; but their online Freedom Realty Exchange® program has taken their auction marketing services to a new level. We would highly recommend this marketing program

**Director of Real Estate
Coca-Cola Enterprises, Inc**

We were totally blown away by the success of both of these campaigns. I honestly believe that a traditional sale would not have been successful. These were two very difficult parcels that we had on our books and wanted to sell quickly. LFC's online auction platform delivered a sale in the timeframe we needed and at prices that far exceeded our expectations.

**Executive Vice-President
Heritage Oaks Bank**

